

Dooba Finance AB Interim Report Q3 2023

30 November 2023



Table of contents

1. **Comments from the Chairman of CEG**
2. **Key Financial Highlights**
 - **Equity Ratio**
 - **Net Asset Value by Category**
 - **Reduction in Interest Bearing Debt Levels**
 - **New Lettings**
 - **Letting Activity and Retentions**
3. **Financial Statements - IFRS**
 - **Financial Statements for the Guarantor**
 - **Financial Statements for the Borrower**
 - **Notes to Financial Statements**



Comments from the Chairman of CEG



Gerard Versteegh, founder and Chairman of CEG

The Equity Ratio for the Group improved to 64.4% at the end of the third quarter following the £48.6m repayment of debt.

The Dooba Group is on track to have its best year of lettings despite the challenging economic climate.

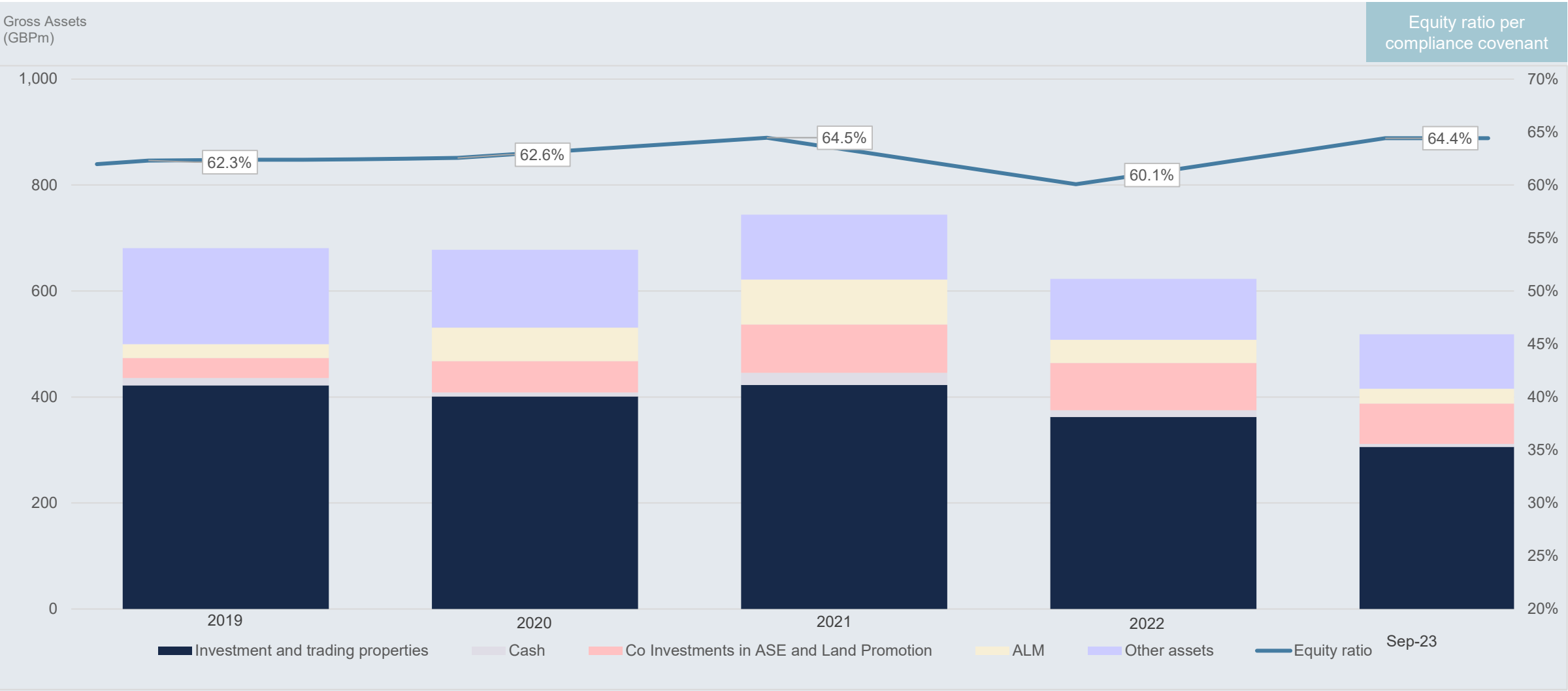
The Group achieved a key planning milestone at Smallbrook Queensway, Birmingham which is expected to unlock the sale of the site in three pieces. The sale generates net receipts of £40m and the three contracts are expected to be signed over the next 6 months.

We are not expecting any further valuation write downs on properties owned by Co-investment clubs this year.



Key Financial Highlights: Equity ratio

Dooba Holdings Consolidated Equity Ratio

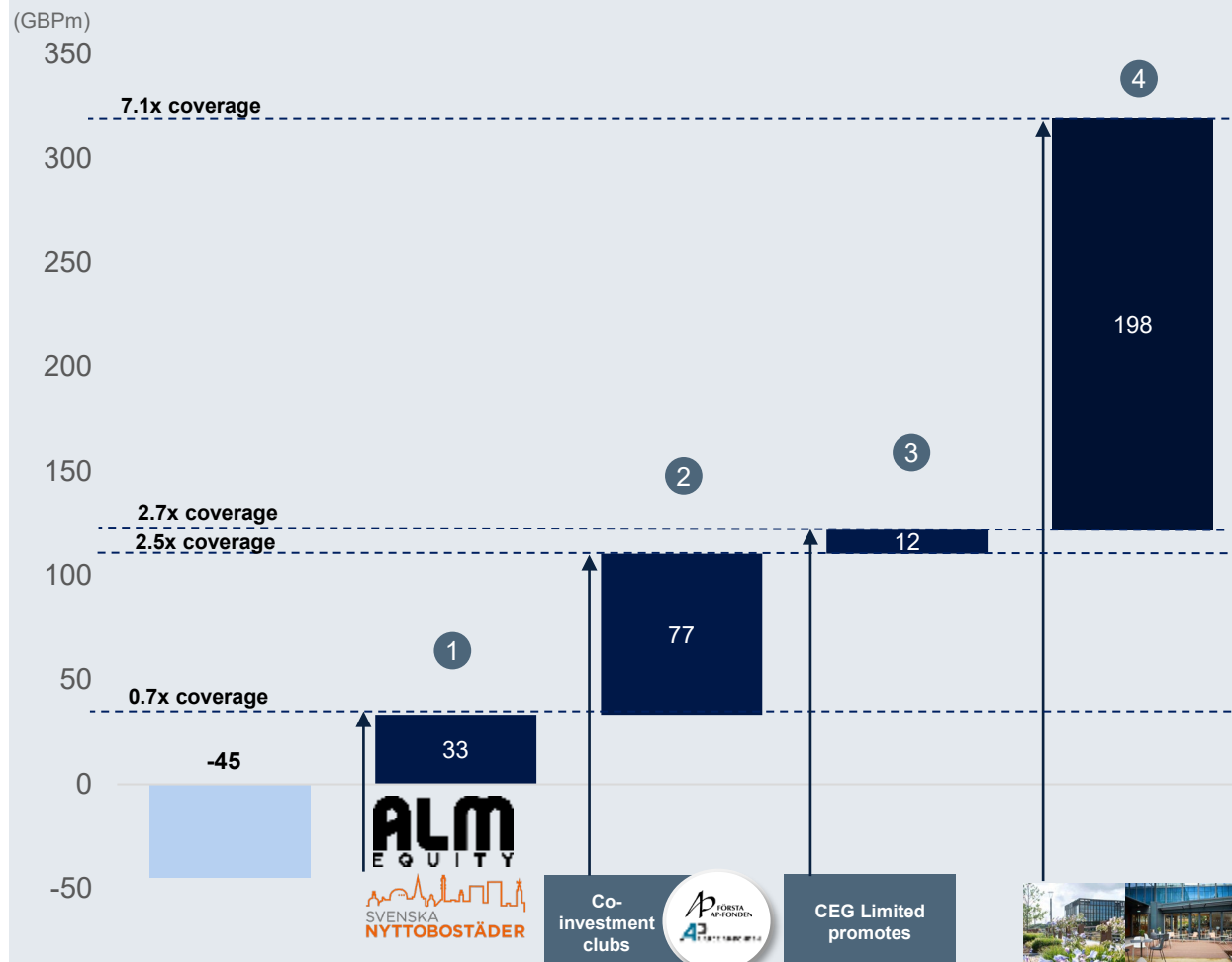


1. SEK FX rate 13.32 at Sep-23. Figures for Dec-19 – Dec-22 are audited. Sep-23 are based on unaudited accounts

Key Financial Highlights: Net asset value by category

Substantial net coverage from guarantor holdings

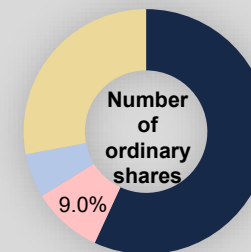
7.1x NAV to bond at Guarantor group level



1

ALM
EQUITY

Market capitalisation
SEK 4.1bn (GBP ~317m)



Joakim Alm
Dooba Investments Limited
Johan Wachtmeister
Other Holders

2

Co-investment clubs



10-30%
Ownership

ASE I
(2012)



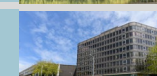
LTV
71%

ASE II
(2014)



LTV
42%

ASE III
(2016)



LTV
55%

3

CEG Limited promotes

LP I
(2011)



PROMOTE
30%

The Group will receive
38% of all future LP I
distributions

4

Directly owned properties



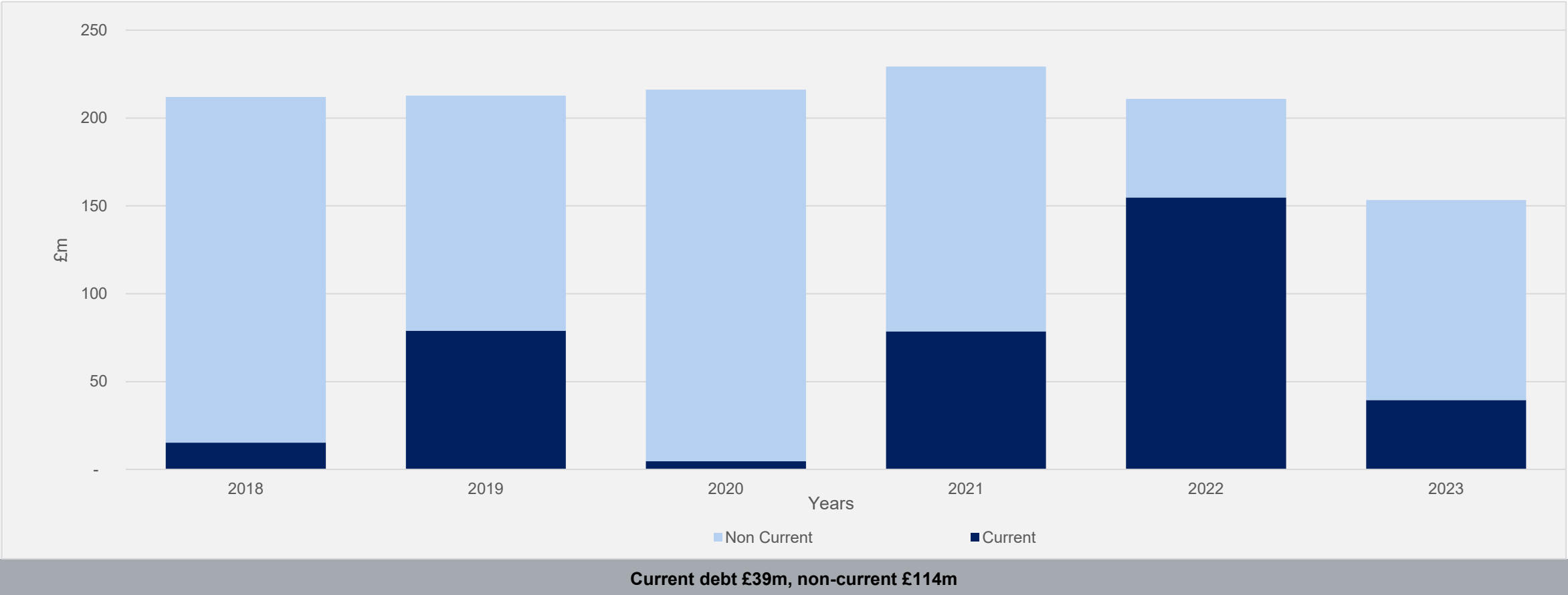
GBP 306m
(Property value)



36%
LTV

Key Financial Highlights: Reduction in interest bearing debt levels

The Group has retired a significant amount of debt

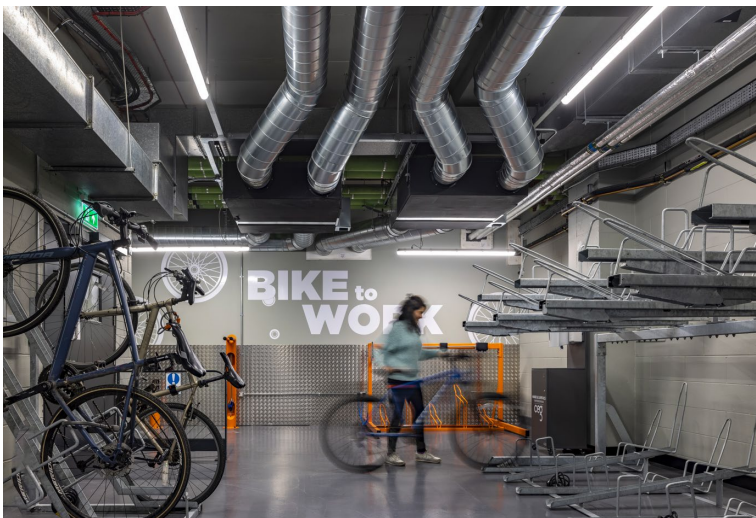
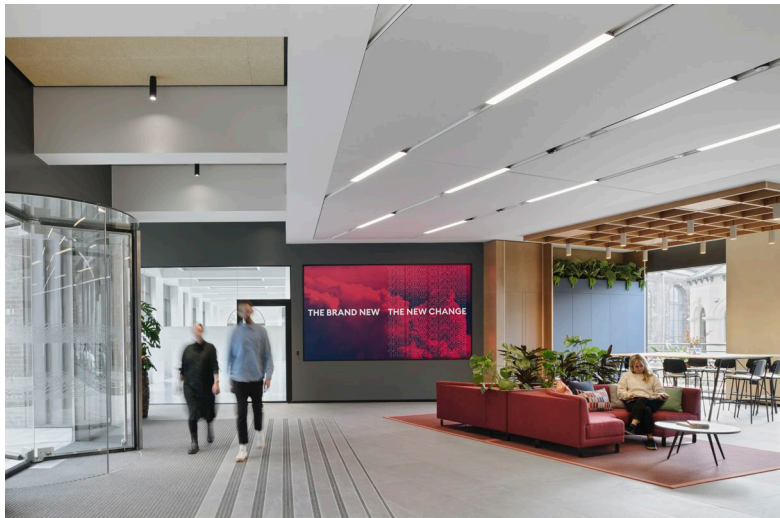
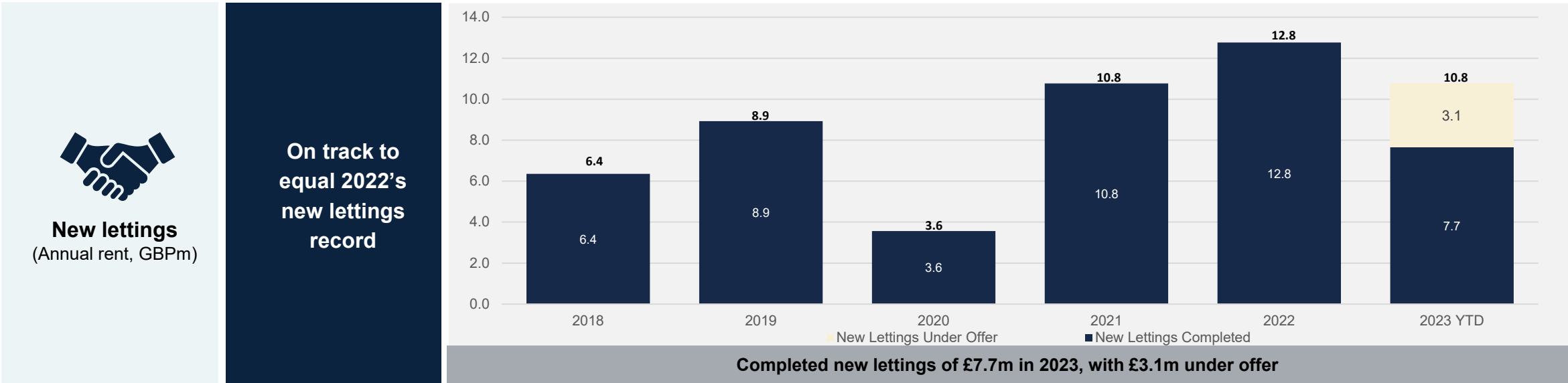


The LTV has improved over the term of the bond. At inception it was 46% and remained consistent around 43%-45% throughout the duration of the bond term. In Q3 2023 the LTV reduced to 36% through repayment of Lloyds Banking Group, which enabled several properties to be released from charge. The repayment was facilitated due the sales of three key properties in the last six months.

The Natwest debt has been refinanced during Q3 2023 for a further three years, removing the existing refinance risk. Advanced discussions to extend debt facilities that secure SBQ and Ampersand Homes Ltd projects have also been held with the lender, which would further reduce the Group's current debt from £39m to £5m.

Key Financial Highlights: New lettings

New lettings by the Group and co-investment clubs



1. Completed and new lettings represents direct property ownership and property owned by the co-investment clubs

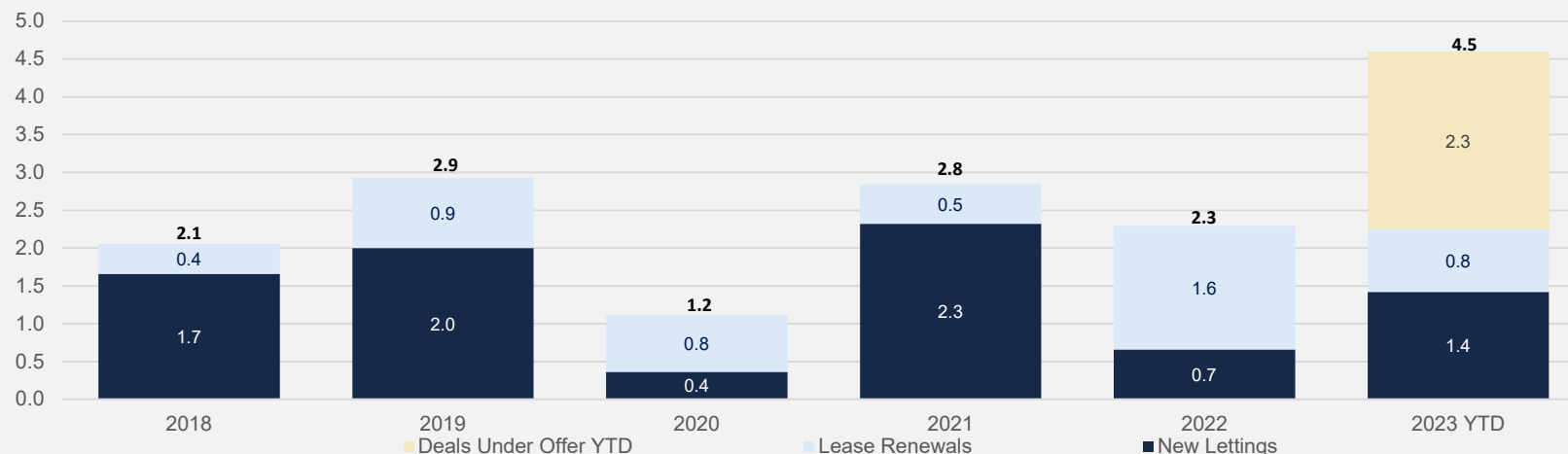
Key Financial Highlights: Letting activity and retentions

High letting activity and retentions by the Group



Lettings (Annual rent, GBPm)

2023 letting activity to date on track to exceed 2022

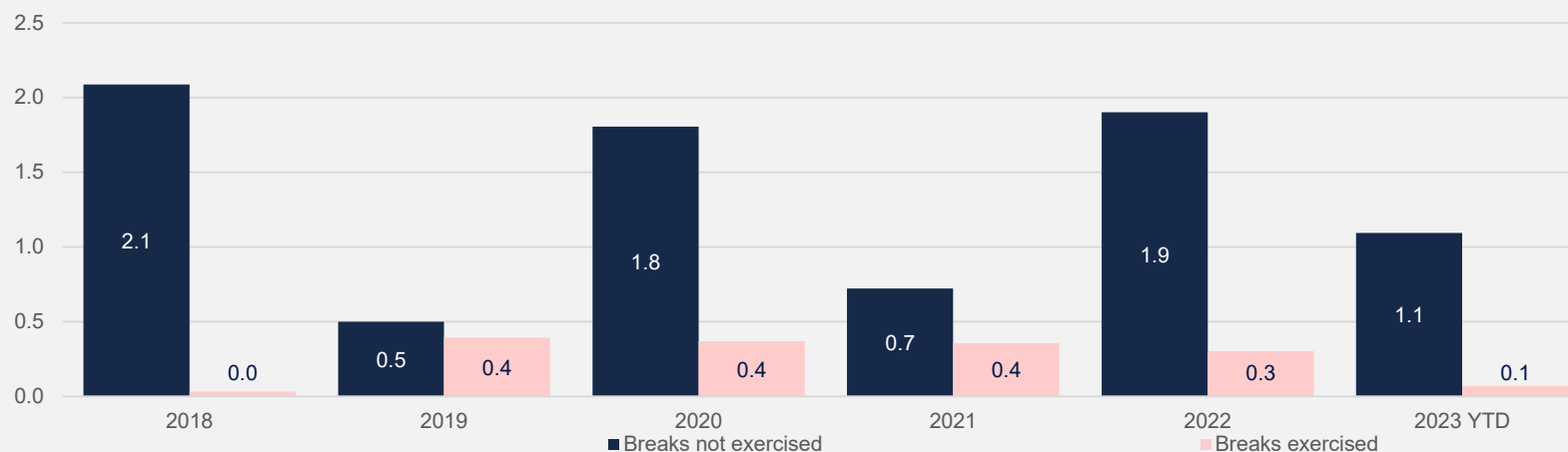


Completed lettings to date of £2.2m in 2023



Retentions (Annual rent, GBPm)

Continued high retention of tenants



Continued strong conversion of breaks not exercised

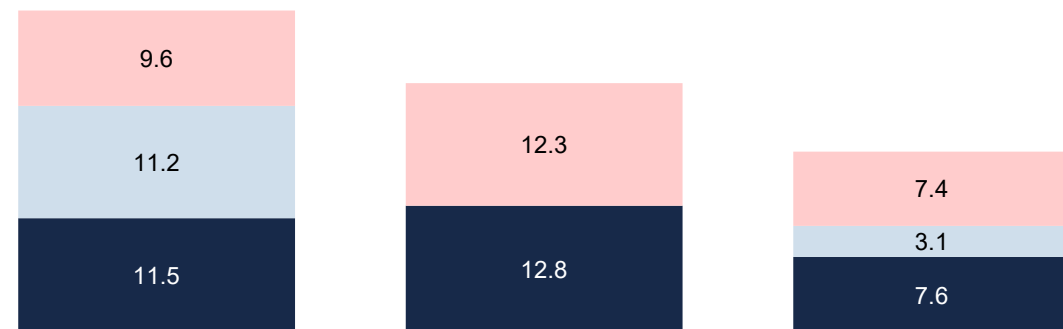
Financial Statements

Income Statement for the Guarantor

Consolidated DHL income statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2022	Unaudited Q3 2023
Gross Rental income	11.5	12.8	9.0	7.6
Management fee income	9.6	12.3	9.3	7.4
Proceeds from sale of trading properties	11.2	0.0	0.0	3.1
Total revenue	32.3	25.1	18.3	18.1
Property outgoings	-6.4	-6.6	-4.9	-4.9
Cost of sales of trading properties	-2.8	0.0	0.0	-0.5
Provision against trading properties	-8.5	-16.1	-14.1	20.4
Operating expenses	-17.7	-22.7	-19.0	15.0
Net rental and other property income	14.7	18.5	13.4	10.2
Profit on sales of trading properties	-0.1	-16.1	-14.1	23.0
Gross profit	14.6	2.4	-0.7	33.2
Administrative expenses (incl. CEG)	-22.8	-24.6	-17.9	-21.7
Other operating income	8.1	2.6	1.5	5.9
Profit / (Loss) on disposal of investment property	0.2	-3.3	0.2	0.0
Changes in fair value of investment properties	23.2	-34.0	-3.2	-11.6
Operating profit / (loss)	23.3	-56.9	-20.1	5.8
Share of post-tax results of equity accounted associates	8.3	-15.9	-4.2	-13.6
Revaluation of other investments	23.6	-42.8	-36.4	-29.7
Finance incomes	5.5	7.0	4.8	5.9
Finance costs	-11.9	-13.9	-9.7	-12.9
Change in fair value of derivative financial instruments	6.9	15.3	18.3	-1.0
Gain on bargain purchase	2.7	0.0	0.0	0.0
Income from investments	5.8	5.6	7.1	0.3
Profit / (loss) before tax	64.2	-101.6	-40.2	-45.2
Taxation	0.3	-0.4	-0.4	0.0
Profit / (loss) for the year and total comprehensive income	64.5	-102.0	-40.6	-45.2

Revenue (GBPm)



2021

2022

2023 YTD

■ Gross rental income

■ Proceeds from sale of trading properties

Consolidated DHL statement of changes in equity (GBPm)

					Equity attributable to owners of the parent	Non controlling interest	Total	
	Share capital	Share premium	Other reserves	Retained earnings				
Balance at 1 January 2023	0.0	243.5	-	213.0	266.6	297.1	65.4	362.5
Comprehensive income for the financial year	-	-	-	-	43.2	43.2	2.0	45.2
Capital contribution - waiver of shareholder loan	-	-	-	0.1	-	0.1	-	0.1
Balance at 30 September 2023	0.0	243.5	-	213.1	223.4	253.8	63.4	317.2
Balance at 1 January 2022	0.0	243.5	-	212.6	351.4	382.3	82.5	464.8
Comprehensive income for the financial year	-	-	-	-	40.2	40.2	0.4	40.6
Preference share distribution	-	-	-	0.4	-	0.4	-	0.4
Balance at 30 September 2022	0.0	243.5	-	213.0	311.2	341.7	82.1	423.8
Balance at 1 January 2022	0.0	243.5	-	212.6	351.4	382.3	82.6	464.9
Comprehensive income for the financial year	-	-	-	-	84.8	84.8	17.2	102.0
Capital contribution - waiver of shareholder loan	-	-	-	0.4	-	0.4	-	0.4
Balance at 31 December 2022	0.0	243.5	-	213.0	266.6	297.1	65.4	362.5

Financial Statements

Balance Sheet for the Guarantor

Consolidated DHL balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2023
Property, plant and equipment	0.3	0.4	0.4
Intangible assets	1.2	1.2	1.2
Investment properties	323.5	275.3	196.8
Other investments	100.8	55.3	39.6
Investments in equity accounted associates	84.2	92.5	69.1
Trade and other receivables	1.0	1.0	0.5
Non current assets	511.0	425.7	307.6
Trading properties	99.0	86.8	108.9
Trade and other receivables	110.4	89.6	91.5
Cash and cash equivalents	23.0	12.7	5.2
Derivative financial assets	1.0	8.1	5.3
Current assets	233.4	197.2	210.9
Total Assets	744.4	622.9	518.5
Issued share capital	0.0	0.0	0.0
Preference shares	0.0	0.0	0.0
Share premium	243.5	243.5	243.5
Other reserves	-212.6	-213.0	-213.1
Retained earnings	351.4	266.6	223.4
Attributable to equity shareholders	382.3	297.1	253.8
Non-controlling interest	82.6	65.4	63.4
Total equity	464.9	362.5	317.2
Loans and borrowings	150.7	56.1	113.9
Deferred tax liability	0.0	0.0	0.0
Lease liability	3.4	3.2	3.3
Non-current liabilities	154.1	59.3	117.2
Loans and borrowings	78.6	154.8	39.4
Trade and other payables	45.8	45.8	44.4
Derivative financial liabilities	0.3	0.0	0.0
Lease liability	0.0	0.5	0.3
Current liabilities	124.7	201.1	84.1

Consolidated DHL balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2023
Other provisions	0.7	0.0	0.0
Total equity and liabilities	744.4	622.9	518.5
Adjusted Equity	464.9	362.5	317.2
Preference share/Shareholder loan	15.0	11.6	16.9
Total	479.9	374.1	334.1

Change in total assets in 2023



Financial Statements

Cash-flow statement for the Guarantor

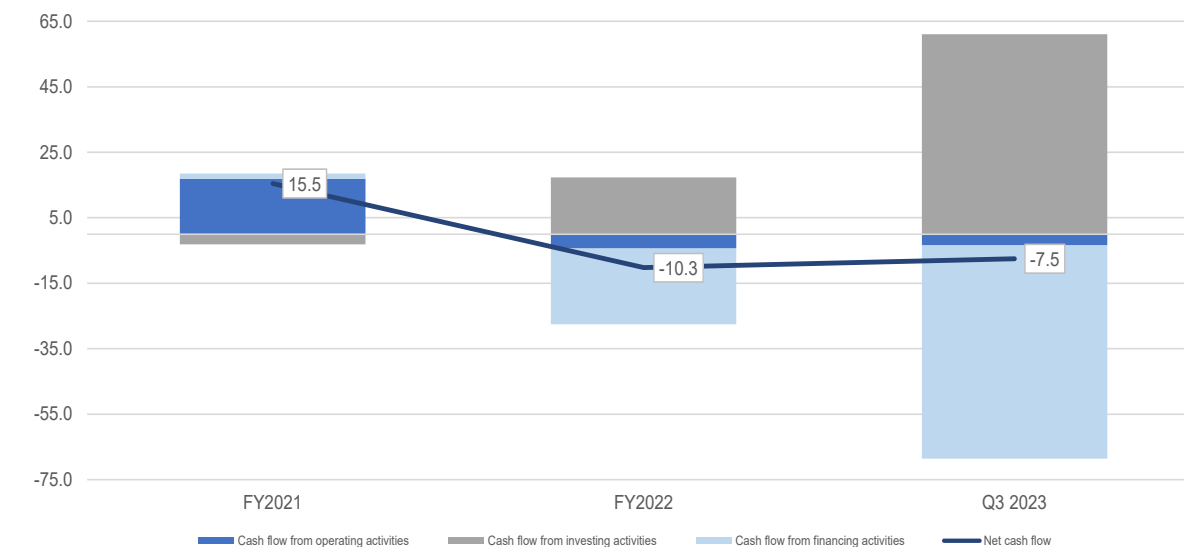
Consolidated DHL cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2022	Unaudited Q3 2023
Operating activities				
Profit/(Loss) for the year	64.4	-102.0	-41.0	-45.2
Adjustments for:				
Exchange differences	1.8	0.5	0.6	-0.3
Changes in fair value of investment properties	-23.2	34.0	3.3	13.2
Depreciation of fixed asset	0.3	0.2	0.2	0.2
Movement in rent smoothing adjustment	0.6	-0.6	-0.1	-0.8
Changes in fair value of derivative instruments	-6.9	-15.3	-18.3	0.9
Changes in fair value of other investments	-23.6	42.8	36.4	13.6
Share of post-tax results of equity accounted associates	-8.3	15.9	4.2	29.7
Profit/(Loss) on disposal of investment property	-0.2	3.3	-0.2	0.0
Income from investments	0.0	-4.1	0.0	0.0
Finance revenue	-5.5	-7.0	-4.8	-5.9
Finance cost	11.9	13.9	9.7	12.9
Amortisation of goodwill	0.1	0.0	0.0	0.0
Gain on bargain purchase	2.7	0.0	0.0	0.0
Taxation	-0.3	0.4	0.0	0.0
Changes in working capital				
Trading properties	3.3	12.2	10.6	-22.1
Trade and other receivables	2.0	1.8	3.0	2.6
Trade and other payables	-1.5	-0.1	-2.9	-2.2
Provisions	0.7	-0.7	-0.7	0.0
Tax paid	-1.5	0.4	0.4	0.0
Cash flow from operating activities	16.9	-4.4	0.4	-3.4
Investment activities				
Capital expenditure on investment property	-4.6	-5.3	-4.8	-1.7
Capital expenditure of fixtures and fittings	0.0	0.0	0.0	-0.2
Proceeds from disposal of investment properties	2.6	16.9	2.5	67.7
Investment in equity accounted associates	-5.3	-3.8	-3.2	-6.4
Acquisition of other investments	-3.8	-0.2	0.7	-0.3
Disposal of other investments	0.0	0.9	0.0	0.0
Interest received	0.1	0.7	0.0	1.9
Loan to equity accounted associates	0.1	-0.2	0.2	0.0
Dividends received from equity accounted associates	7.8	4.2	0.0	0.0
Income from investments	0.0	4.1	0.0	0.0
Consideration net of cash received	0.1	0.0	0.0	0.0
Cash flow from investing activities	-3.1	17.3	-4.6	61.0

Consolidated DHL cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2022	Unaudited Q3 2023
Financing activities				
Proceeds from borrowings	22.8	2.2	0.2	0.1
Repayment of loans	-9.9	-20.2	-7.4	-55.1
Proceeds from cancellation of derivative financial instrument	0.0	7.8	0.0	2.0
Redemption of preference shares	0.0	-0.4	0.0	-0.1
Refinancing costs	-0.8	-0.1	-0.1	-1.0
Interest paid	-10.2	-12.2	-8.0	-11.0
Headlease obligations paid	-0.1	-0.2	0.0	0.0
Payments under finance leases	-0.1	-0.1	0.0	0.0
Cash flow from financing activities	1.6	-23.2	-15.3	-65.1
Cash flow for the period	15.5	-10.3	-19.5	-7.5
Cash and cash equivalents at the beginning of the year	7.5	23.0	23.0	12.7
Cash and cash equivalents EoP	23.0	12.7	3.5	5.2

Cashflow for the period (GBPm)



Financial Statements

For the Borrower – Dooba Finance AB (“DFAB”)

DFAB income statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2022	Unaudited Q3 2023
Finance income	3.3	3.0	2.3	2.0
Gross profit	3.3	3.0	2.3	2.0
Other operating income	3.7	1.4	0.5	2.4
Administrative expenses	-0.2	-0.1	0.0	0.0
Operating profit	6.8	4.3	2.8	4.4
Finance costs	-4.0	-4.0	-3.0	-2.8
Profit/(loss) before tax	2.8	0.3	-0.2	1.6
Taxation	0.0	0.0	0.0	0.0
Profit for the year and total comprehensive income	2.8	0.3	-0.2	1.6

DFAB Statement in changes of equity (GBPm)

	Share capital	Other contribution	Retained earnings	Total
Balance at 1 January 2023	0.1	1.0	3.3	4.4
Comprehensive income for the financial year	0.0	0.0	1.6	1.6
Balance at 30 September 2023	0.1	1.0	4.9	6.1
Balance at 1 January 2022	0.1	1.0	3.0	4.1
Comprehensive income for the financial year	0.0	0.0	-0.2	-0.2
Balance at 30 September 2022	0.1	1.0	2.8	3.9
Balance at 1 January 2022	0.1	1.0	3.0	4.1
Comprehensive income for the financial year	0.0	0.0	0.3	0.3
Balance at 31 December 2022	0.1	1.0	3.3	4.4

Financial Statements

For the Borrower – Dooba Finance AB (“DFAB”)

DFAB balance sheet (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2023
Trade and other receivables	51.0	52.7	52.9
Derivative financial asset	0.0	0.0	0.0
Cash and cash equivalents	2.5	1.8	1.7
Current assets	53.5	54.5	54.6
Total Assets	53.5	54.5	54.6
Attributable to equity shareholders	4.1	4.4	6.1
Total equity	4.1	4.4	6.1
Loans and borrowings	48.0	46.9	44.6
Non-current liabilities	48.0	46.9	44.6
Trade and other payables	1.4	3.2	4.0
Current liabilities	1.4	3.2	4.0
Total equity and liabilities	53.5	54.5	54.6

DFAB cash-flow statement (GBPm)

	Audited FY2021	Audited FY2022	Unaudited Q3 2022	Unaudited Q3 2023
Operating activities				
Profit/(Loss) for the year	2.9	0.3	-0.1	1.6
Adjustments for:				
Exchange differences	-3.8	-1.5	-0.6	-2.5
Finance cost	4.0	3.0	3.0	2.8
Finance revenue	-3.3	-2.3	-2.3	-2.0
Changes in working capital				
Trade and other receivables	-9.9	-1.6	-7.2	-0.2
Trade and other payables	0.7	2.7	6.1	0.8
Cash flow from operating activities	-9.4	0.6	-1.2	0.5
Investment activities				
Cash flow from investing activities	0.0	0.0	0.0	0.0
Financing activities				
Interest paid	-3.6	-3.7	-1.8	-2.6
Interest received	3.3	2.3	2.3	2.0
Refinancing costs	-0.2	0.0	0.0	0.0
Repayment of loans	-1.1	0.0	0.0	0.0
Proceeds from bond	11.5	0.0	0.0	0.0
Cash flow from financing activities	9.9	-1.3	0.5	-0.6
Cash flow for the period	0.5	-0.7	-0.7	-0.1
Cash and cash equivalents at the beginning of the year	2.0	2.5	2.5	1.8
Cash and cash equivalents EoP	2.5	1.8	1.8	1.7

Financial Statements

Notes – For the Guarantor



Notes to the interim report

General

Dooba Holdings Limited (“the Guarantor”) and its subsidiaries the (“Group”) acts as a investment holding company with a controlling interest in its subsidiary GMV Holdings Limited. The company also holds an interest in a number of other investments through its wholly owned subsidiary, Dooba Properties Limited.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

This Interim Report is presented in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (“adopted IFRSs”).

The financial statements have been prepared on the historical cost basis except that investment properties, other investments and derivative financial instruments are measured at fair value.

The applied accounting principles are in accordance with those described in Dooba Holdings Limited annual report for 2022.

Going concern

The directors’ have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 30 September 2023.

The Group’s going concern assessment is dependent on a number of factors, including performance of rental collections, continued access to funding and the ability to continue to operate the Group’s secured debt structure within its financial covenants.

The directors have performed stress testing of the Group’s forecasts over the next 12 months. The impact of a reduction in rental collections has been applied across a variety of performance indicators including free cash flow and debt serviceability covenants.

The Group expect that any current loans and borrowings expiring in the 12 months post year end will be refinanced in the next 12 months.

Whilst taking into consideration the negative impact from inflation and a deterioration in the economy, the directors continue to consider that it is appropriate to adopt the going concern basis in preparing the interim financial statements.

Notes to the interim report (continued)

Changes in accounting policies

New standards, interpretations and amendments effective for the current year

During the year, the Group adopted the amendments to IFRS 3, IAS 16 and IAS 37 and adopted the amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 arising from the annual improvement cycle to IFRSs. There was no material change to the Group’s accounting policies and disclosures as a result.

There were no other new or amended standards issued by the International Accounting Standards Board (“IASB”) during the year, and none of the interpretations issued by the IFRS Interpretations Committee (“IFRIC”) have led to any material changes in the Group’s accounting policies or disclosures during the year.

Standards and interpretations in issue not yet adopted

The IASB and IFRIC have issued or revised IFRS 17, IAS 1, IFRS 2, IAS 8, IAS 12, IFRS 17 and IFRS 16 but these are not expected to have a material effect on the operations of the Group.

The Group does not expect any other standards, amendments or interpretations issued by the IASB or IFRIC, but not yet effective, to have a material impact on the Group.

Significant events and transactions

During the quarter, the Group completed on two properties for a combined £63.1m net receipt. Lloyds Banking Group was repaid in full using the proceeds of the sales. A further property was refinanced by Natwest who increased their lending to the Group to 65.2m while extending the maturity to July 2026.